

BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF DELAWARE

IN THE MATTER OF THE APPLICATION )  
OF CHESAPEAKE UTILITIES ) PSC DOCKET NO. 15-1734  
CORPORATION FOR A GENERAL )  
INCREASE IN ITS NATURAL GAS RATES )  
AND FOR APPROVAL OF CERTAIN )  
OTHER CHANGES TO ITS NATURAL GAS )  
TARIFF (Filed DECEMBER 21, 2015) )

**PETITION FOR LEAVE TO INTERVENE OF**  
**THE DELAWARE ASSOCIATION OF ALTERNATIVE ENERGY PROVIDERS, INC.**

Andrew Lambert, President  
Delaware Association of Alternative Energy  
Providers, Inc.  
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Attorneys for Intervenor Delaware Association of  
Alternative Energy Providers, Inc.

February 25, 2016

Pursuant to Rule 1001-2.9 of the Public Service Commission's Rules of Practice and Procedure, the Delaware Association of Alternative Energy Providers, Inc. ("DAAEP") hereby petitions for leave to intervene in this proceeding, and in support thereof, states as follows:

1. The name and address of the party seeking to intervene is:

Delaware Association of Alternative Energy Providers, Inc.  
Andrew Lambert, President  
1000 N. Broad St., P.O. Box 427  
Middletown, Delaware 19709  
E-mail: ALambertSr@SchagrinGas.com  
Phone: 302-378-2000  
Fax: 302-279-8993

2. DAAEP is represented by the following counsel:

Todd A. Coomes, Esquire  
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One Rodney Square  
920 North King Street  
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3. The application filed by Chesapeake Utilities Corporation on December 21, 2015 (the "Chesapeake Application") proposes to revise Chesapeake's tariff to enable "certain new service offerings." These tariff revisions include offerings described as: (a) a Multi-Family Housing Program, (b) a Natural Gas Compression Service, (c) a Municipal Natural Gas Infrastructure Expansion Program and (d) a Temporary Gas Storage Tank Program.

4. Chesapeake's proposed "new service offerings" are a continuation of Chesapeake's attempts to modify its tariff and/or Commission-approved procedures to allow for greater expansion. The issue of modifying Chesapeake's tariff to allow for greater expansion has been before the Commission on multiple occasions since at least 1997, when Chesapeake filed an application to, in part, modify its gas expansion tariff in PSC Docket No. 97-72T ("In the

Matter of the Application of Chesapeake Utilities Corporation to Make Revisions to Its Gas Tariff with Respect to Service Installations and Gas Extensions for Providing Gas Service"). DAAEP has consistently intervened in Chesapeake-related dockets, or otherwise participated in other Commission proceedings, when Chesapeake's expansion tariff or procedures are at issue.

5. Most recently, DAAEP was an intervening party in PSC Docket No. 12-292 ("In the Matter of the Application of Chesapeake Utilities Corporation for Approval of Natural Gas Expansion Service Offerings"). In PSC Docket No. 12-292, DAAEP's intervention was granted over Chesapeake's objection based, in part, on DAAEP's interest in Chesapeake's Commission-approved expansion offering as its members are competitors of Chesapeake. (*See* Commission Order No. 8210).

6. DAAEP's interest in this docket is similar, and should similarly be recognized by the Commission. As in previous proceedings, the Chesapeake Application raises a number of issues with respect to Chesapeake's proposals, including the basis for the proposed offerings, whether such offerings are in the best interest of the public, and Chesapeake's potential cross-subsidization of its services. These issues cannot be determined on the face of Chesapeake's Application.

7. For instance, Chesapeake's proposed Temporary Gas Storage Tank Program is for "those instances when new construction has been completed prior to Chesapeake completing its natural gas main extension to the project and the customers require a temporary gas service until they can connect to the natural gas main." Chesapeake recognizes in its filing that the gas will typically be propane. Many details of this proposed program are unexplained in the Chesapeake Application, including how long is "temporary" and why this service should be performed by the regulated public utility. Further, Chesapeake has its own unregulated propane subsidiary, Sharp

Energy, that competes with all the members of DAAEP and it is unclear what entity ultimately would provide services under this proposed program.

8. The Chesapeake Application also proposes a Municipal Natural Gas Infrastructure Expansion Program. Under this proposed program, Chesapeake's carrying costs would be recorded as a regulatory asset and reviewed in the future for recovery in base rates. Program costs for the proposed Temporary Gas Storage Tank Program may also be recoverable in rate base under the Chesapeake Application. These proposed rate structures raise questions as to illegal subsidization of new customers by existing customers.

9. In addition, this docket will include a review of Chesapeake's audit of its application of the Internal Rate of Return Model and other extension policies as required by the 2008 Settlement Agreement in PSC Docket No. 07-186. As a party to the 2008 Settlement Agreement, DAAEP should be permitted to intervene in this matter to review the audit.

10. DAAEP has a direct interest in the outcome of the proceeding, and the interests of the members of DAAEP are inadequately represented in this proceeding without intervention.

11. DAAEP's members share a similar interest in the distribution and sale of alternative energy supplies and services to their customers for use in heating and other residential and commercial uses. The docket will have a direct impact upon DAAEP's members, and their employees, who may be significantly harmed by the expansion service offerings Chesapeake proposes in its application. DAAEP has participated in previous proceedings before this Commission relating to Chesapeake's natural gas services and expansion proposals, including PSC Docket Nos. 97-72T, 05-322, 07-186 and 12-292, and should likewise be permitted to participate in this proceeding.

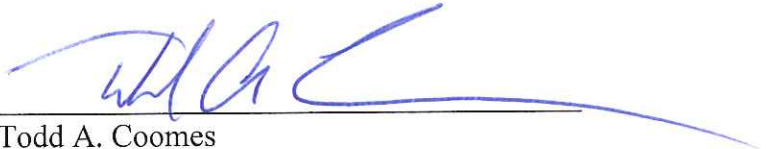
12. Furthermore, it is in the public interest to afford broad participation in the PSC Dockets to all parties that are affected by proposed tariffs before the Public Service Commission.

13. Lastly, Commission Order No. 8848 (the "Order") suspended the rates and revised tariff sheets proposed in the Chesapeake Application and they are not to be placed into force or effect until completion of evidentiary hearings into the justness and reasonableness of the application. DAAEP, and presumably other parties, need further information and analysis from Chesapeake, as well as its own expert analysis, in order to fully consider the proposed changes and the impact of the Chesapeake Application. As suggested above, this proceeding is similar to other Chesapeake dockets that have been before the Commission in which Chesapeake has sought to modify its expansion practices, and the parties will require some amount of time to consider the Chesapeake Application in the context of these previous proceedings as well as engage consultants or experts to review the application. Judging from these previous proceedings, it is likely that the parties will need several months to complete discovery, including substantive data requests.

14. Accordingly, DAAEP requests that the Hearing Examiner exercise the authority granted in the Order, and establish a schedule for this proceeding that will allow for the full and complete record development and subsequent Commission action.

**WHEREFORE**, the Delaware Association of Alternative Energy Providers, Inc. respectfully requests that it be granted leave to intervene in this proceeding as a party for all purposes.

Andrew Lambert, President  
Delaware Association of Alternative Energy  
Providers, Inc.  
1000 N. Broad St., P.O. Box 427  
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Attorneys for Intervenor Delaware Association of  
Alternative Energy Providers, Inc.

Dated: February 25, 2016

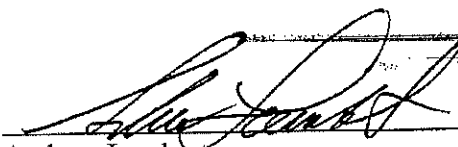
STATE OF DELAWARE :  
COUNTY OF New Castle : SS.

Andrew Lambert, being duly sworn, hereby verifies that:

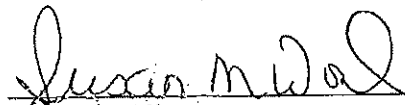
1. I am the President of the Delaware Association of Alternative Energy Providers, Inc. and am authorized to make this affidavit on its behalf.

2. Insofar as the foregoing Petition for Leave to Intervene states facts, said facts are true and correct to the best of my knowledge, information and belief. To the extent any facts alleged are not in my personal knowledge, I believe them to be true and correct.

Dated this 25<sup>th</sup> day of February, 2016.

  
Andrew Lambert

Sworn to and subscribed  
before me this 25<sup>th</sup> day of February, 2016.

  
Notary Public

Susan Marie Wood  
Notary Public, State of Delaware  
My Commission Expires 6-17-18

**CERTIFICATE OF SERVICE**

It is hereby certified that the Petition for Leave to Intervene of the Delaware Association of Alternative Energy Providers, Inc. in PSC Docket 15-1734 has been served this 25th day of February, 2016 as indicated below:

**VIA DELAFILE**

Donna Nickerson, Secretary  
Delaware Public Service Commission  
Suite 100, Cannon Building  
861 Silver Lake Blvd.  
Dover, Delaware 19904

**VIA ELECTRONIC MAIL**

Service List (dated 2/25/2016)

/s/ Todd A. Coomes

Todd A. Coomes (#4694)